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Part III

Department of the Interior

Bureau of Land Management

Outer Continental Shelf; Gulf of Mexico Proposed Oil and Gas Lease Sale No. 67

BILLING CODE: 4310-84

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Land Management

Outer Continental Shelf
Gulf of Mexico

Proposed Oil and Gas Lease Sale 67

With regard to oil and gas leasing on the Outer Continental Shelf (OCS), the Secretary of the Interior, pursuant to Sec. 19 of the OCS Lands Act, as amended, provides the affected States the opportunity to review the proposed sale notice. The following is a proposed sale notice for Sale 67 in the offshore waters of the Gulf of Mexico. This notice is hereby published as a matter of information to the public.

SEP 3 1981

Ed Hastey
Associate Director, Bureau Of Land Management

Date: OCT 2 1982

Approved:

Donald Paul Hodel
Acting Secretary of the Interior

Proposed Sale Notice

Oil and Gas Lease Sale 67

1. Authority. This notice is published pursuant to the Outer Continental Shelf Lands Act of 1953 (43 U.S.C. 1331-1343), as amended, (92 Stat. 629), and the regulations issued thereunder (43 CFR Part 3300).

2. Filing of Bids. Sealed bids will be received by the Manager, New Orleans Outer Continental Shelf (OCS) Office, Bureau of Land Management, Hale Boggs Federal Building, 500 Camp Street, Suite 841, New Orleans, Louisiana 70130. Bids may be delivered, either by mail or in person, to the above address until 4:15 p.m., February 8, 1982, or by personal delivery to _____ New Orleans, Louisiana, between the hours of 8:30 a.m., c.s.t., and 9:30 a.m., c.s.t., February 9, 1982. Bids received by the Manager later than the times and dates specified above will be returned unopened to the bidders. Bids may not be modified or withdrawn unless written modification or withdrawal is received by the Manager prior to 9:30 a.m., c.s.t., February 9, 1982. All bids must be submitted and will be considered in accordance with applicable regulations, including 43 CFR Part 3300. The list of restricted joint bidders which applies to this sale was published in 46 FR _____ 1981.

3. Method of Bidding. A separate bid in a sealed envelope, labeled "Sealed Bid for Oil and Gas Lease (insert number of tract), not to be opened until 10:00 a.m., c.s.t., February 9, 1982," must be submitted for each tract. A suggested form appears in 43 CFR Part 3300, Appendix A, for bonus bid tracts. Bidders are advised that tract numbers are assigned solely for administrative purposes and that tract numbers are

not the same as block numbers found on leasing maps or official protraction diagrams. All bids received shall be deemed submitted for a numbered tract. Bidders must submit with each bid one-fifth of the cash bonus in cash or by cashier's check, bank draft, or certified check, payable to the order of the Bureau of Land Management. No bid for less than a full tract as described in paragraph 12 will be considered. Bidders submitting joint bids must state on the bid form the proportionate interest of each participating bidder, in percent to a maximum of three decimal places after the decimal point, e.g., 50.123%, as well as submit a sworn statement that the bidder is not disqualified under 43 CFR Subpart 3316. The suggested form for this statement to be used in joint bids appears in 43 CFR Part 3300, Appendix B. Other documents may be required of bidders under 43 CFR 3316.4. Bidders are warned against violation of 18 U.S.C. 1860, prohibiting unlawful combination or intimidation of bidders.

4. Bidding Systems. All leases awarded for this sale will provide for a yearly rental payment of $3 per acre or fraction thereof. The following systems will be utilized:

(a) Bonus Bidding with a Fixed Net Profit Share: Bids on tracts 67-133, 67-134, 67-135, 67-136, and 67-137 must be submitted on a cash bonus basis with a fixed net profit share rate of 50 percent and a capital recovery factor of 0.50. Bids on tracts 67-147, 67-148, 67-149, 67-150, 67-161, 67-162, 67-163, and 67-164 must be submitted on a cash bonus basis with a fixed net profit share rate of 40 percent and a capital recovery factor of 1.00.

The net profit share payment shall be calculated according to the Department of Energy regulations in 10 CFR 390 (45 FR 36784, May 30, 1980).

(b) Bonus Bidding with a 16-2/3 Percent Royalty. Bids on the remaining tracts to be offered at this sale must be submitted on a cash bonus basis with a fixed royalty of 16-2/3 percent. All leases awarded under this system will provide for a minimum royalty payment of $3 per acre or fraction thereof.

5. Equal Opportunity. Each bidder must have submitted by 9:30 a.m., c.s.t., February 9, 1982, the certification required by 41 CFR 60-1.7(b) and Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, on the Compliance Report Certification Form, Form 1140-8 (November 1973) and the Affirmative Action Representation Form, Form 1140-7 (December 1971). See Item 14, "Information to Lessees."

6. Bid Opening. Bids will be opened on February 9, 1982, beginning at 10:00 a.m., c.s.t., _____, at the second address stated in paragraph 2. The opening of the bids is for the sole purpose of publicly announcing bids received, and no bids will be accepted or rejected at that time. If the Department is prohibited for any reason from opening any bid before midnight, February 9, 1982, that bid will be returned unopened to the bidder, as soon thereafter as possible.

7. Deposit of Payment. Any cash, cashier's checks, certified checks, or bank drafts submitted with a bid may be deposited in a suspense account in the Treasury during the period the bids are being considered. Such a deposit does not constitute and shall not be construed as acceptance of any bid on behalf of the United States.

8. Withdrawal of Tracts. The United States reserves the right to withdraw any tract from this sale prior to issuance of a written acceptance of a bid for the tract.

9. Acceptance or Rejection of Bids. The United States reserves the right to reject any and all bids for any tract. In any case, no bid for any tract will be accepted and no lease for any tract will be awarded to any bidder unless:

(a) the bidder has complied with all requirements of this notice and applicable regulations:

(b) the bid is the highest valid bid; and

(c) the amount of the bid has been determined to be adequate by the Secretary of the Interior.

No bonus bid will be considered for acceptance unless it provides for a cash bonus in the amount of $25 or more per acre or fraction thereof.

10. Successful Bidders. Each person who has submitted a bid accepted by the Secretary of the Interior will be required to execute copies of the lease specified below, pay the balance of the cash bonus together with the first year's annual rental, and satisfy the bonding requirements of 43 CFR Subpart 3318 within the time provided in 43 CFR 3316.5.

11. Leasing Maps/Official Protraction Diagrams. Tracts offered for lease may be located on the following leasing maps/official protraction diagrams which are available from the Manager, New Orleans OCS Office, at the first address stated in paragraph 2.

(a) Outer Continental Shelf Leasing Maps - Texas Nos. 1 through 8. These maps are arranged in two sets, Nos. 1 through 4 (7 maps), which sell for $5 per set; and Nos. 5 through 8 (9 maps), which sell for $7 per set.

(b) Outer Continental Shelf Leasing Maps - Louisiana Nos. 1 through 12. This is a set of 27 maps which sells for $17.

(c) Outer Continental Shelf Official Protraction Diagrams:

NH 16-4 Mobile

NH 16-7 Viosca Knoll

NH 15-12 Ewing Bank

NH 16-10 Mississippi Canyon

NG 14-3 Corpus Christi

NG 15-1 East Breaks

NG 15-2 Garden Banks

NG 15-3 Green Canyon

NG 17-1 St. Petersburg

NG 17-4 Charlotte Harbor

These sell for $2 each.

12. Tract Descriptions. The tracts offered for bids are as follows: Note: There may be gaps in the numbers of the tracts listed. Some of the blocks identified in the final environmental impact statement may not be included in this notice. Some of the blocks are included in prior environmental impact statements rather than the environmental impact statement for this sale.

PROPOSED TRACT LIST
OCS SALE 67

OCS LEASING MAP, SOUTH PADRE ISLAND AREA, EAST ADDITION, TEXAS MAP NO. 1A
(Approved May 6, 1965)

Tract	Block	Description	Acreage
67–1	A-72	All	5760
67–2	A-73	All	5760
67–3	A-83	All	5760

OCS LEASING MAP, NORTH PADRE ISLAND AREA, TEXAS MAP NO. 2
(Approved July 16, 1954)

Tract	Block	Description	Acreage
67–4	919	1/	2630 (est.)
67–5	924	1/	2747 (est.)

OCS LEASING MAP, NORTH PADRE ISLAND AREA, EAST ADDITION, TEXAS MAP NO. 2A
(Approved May 6, 1965)

Tract	Block	Description	Acreage
67–6	A-12	All	5760
67–7	A-13	All	5760

OCS LEASING MAP, MUSTANG ISLAND AREA, EAST ADDITION, TEXAS MAP NO. 3A
(Approved January 23, 1967)

Tract	Block	Description	Acreage
67–8	733	All	5361.50
67–9	734	All	5329.26
67–10	A-58	All	5296.87
67–11	A-59	All	5760
67–12	A-60	All	5760

OCS LEASING MAP, MUSTANG ISLAND AREA, EAST ADDITION, TEXAS MAP NO. 3A
(Approved January 23, 1967)
(Continued)

Tract	Block	Description	Acreage
67–13	A-151	All	5760
67–14	A-152	All	5760
67–15	A-153	All	5760
67–16	A-162	All	5760

OCS LEASING MAP, MATAGORDA ISLAND AREA, TEXAS MAP NO. 4
(Approved July 16, 1954)

Tract	Block	Description	Acreage
67–17	569	All	5760
67–18	586	All	5760
67–19	587	All	5760
67–20	588	All	5760
67–21	589	All	5760
67–22	603	All	5760
67–23	622	All	5760
67–24	636	All	5760
67–25	718	2/	4970 (est.)

OCS LEASING MAP, BRAZOS AREA, TEXAS MAP NO. 5
(Approved July 16, 1954)

Tract	Block	Description	Acreage
67–26	412	All	5760

OCS LEASING MAP, BRAZOS AREA, SOUTH ADDITION, TEXAS MAP NO. 5B
(Approved September 24, 1959)

Tract	Block	Description	Acreage
67–27	A-49	All	5760
67–28	A-50	All	5760
67–29	A-68	All	5760

OCS LEASING MAP, GALVESTON AREA, TEXAS MAP NO. 6
(Approved July 16, 1954)

Tract	Block	Description	Acreage
67–30	257	All	5760

OCS LEASING MAP, HIGH ISLAND AREA, TEXAS MAP NO. 7
(Approved July 16, 1954; Revised August 1955)

Tract	Block	Description	Acreage
67–31	20	2/	3450 (est.)
67–32	22	2/	1705 (est.)

OCS LEASING MAP, HIGH ISLAND AREA, EAST ADDITION, TEXAS MAP NO. 7A
(Approved January 23, 1967)

Tract	Block	Description	Acreage
67–33	83	All	1485.82
67–34	120	All	2925.12
67–35	128	All	4364.41
67–36	A-244	All	2913.80
67–37	A-245	All	4353.09

OCS LEASING MAP, HIGH ISLAND AREA, SOUTH ADDITION, TEXAS MAP NO. 7B
(Approved September 24, 1959)

Tract	Block	Description	Acreage
67–38	A-565	All	5760
67–39	A-579	All	5760
67–40	A-580	All	5760

OCS LEASING MAP, WEST CAMERON AREA, LOUISIANA MAP NO. 1
(Approved June 8, 1954; Revised July 22, 1954)

Tract	Block	Description	Acreage
67–41	112	All	5000
67–42	114	All	5000
67–43	130	All	5000
67–44	283	All	5000
67–45	284	All	5000

OCS LEASING MAP, WEST CAMERON AREA, WEST ADDITION, LOUISIANA MAP NO. 1A
(Approved November 15, 1955; Revised January 30, 1957)

Tract	Block	Description	Acreage
67–46	379	All	5000
67–47	380	All	5000

OCS LEASING MAP, WEST CAMERON AREA, SOUTH ADDITION, LOUISIANA MAP NO. 1B
(Approved September 8, 1959)

Tract	Block	Description	Acreage
67–48	470	All	3186.36
67–49	471	All	2282.36
67–50	529	All	5000
67–51	530	All	5000

OCS LEASING MAP, EAST CAMERON AREA, LOUISIANA MAP NO. 2
(Approved June 8, 1954; Revised August 1, 1973)

Tract	Block	Description	Acreage
67–52	29	All	5000
67–53	30	All	5000
67–54	44	All	5000
67–55	86	All	5000
67–56	87	All	5000
67–57	191	All	5000
67–58	206	All	5000

OCS LEASING MAP, EAST CAMERON AREA, SOUTH ADDITION, LOUISIANA MAP NO. 2A
(Approved September 8, 1959)

Tract	Block	Description	Acreage
67–59	260	All	5000
67–60	339	All	5000

OCS LEASING MAP, VERMILION AREA, LOUISIANA MAP NO. 3
(Approved June 8, 1954; Revised June 25, 1954; Revised July 22, 1954)

Tract	Block	Description	Acreage
67–61	17	3/	1723.59 (est.)
67–62	44	All	5000
67–63	45	All	5000
67–64	46	S½	2500
67–65	47	All	5000
67–66	56	All	5000
67–67	105	All	5000
67–68	145	All	5000
67–69	158	All	5000

OCS LEASING MAP, VERMILION AREA, SOUTH ADDITION, LOUISIANA MAP NO. 3B
(Approved September 8, 1959)

Tract	Block	Description	Acreage
67–70	253	All	5000

OCS LEASING MAP, SOUTH MARSH ISLAND AREA, SOUTH ADDITION, LOUISIANA MAP NO. 3C
(Approved September 8, 1959)

Tract	Block	Description	Acreage
67–71	77	All	5000
67–72	194	All	5000
67–73	202	All	5000
67–74	203	All	5000

OCS LEASING MAP, SOUTH MARSH ISLAND AREA, NORTH ADDITION, LOUISIANA MAP NO. 3D
(Approved April 16, 1971; Revised January 18, 1972)

Tract	Block	Description	Acreage
67–75	248	All	5000
67–76	259	All	5000

OCS LEASING MAP, EUGENE ISLAND AREA, LOUISIANA MAP NO. 4
(Approved June 8, 1954; Revised July 22, 1954)

Tract	Block	Description	Acreage
67–77	20	3/	3582.12 (est.)
67–78	21	3/	4789.31 (est.)
67–79	22	3/	4351.06 (est.)
67–80	23	3/	4691.75 (est.)
67–81	28	All	5000
67–82	29	All	5000
67–83	30	All	5000
67–84	31	All	5000

OCS LEASING MAP, EUGENE ISLAND AREA, SOUTH ADDITION, LOUISIANA MAP NO. 4A
(Approved September 8, 1959)

Tract	Block	Description	Acreage
67–85	316	All	5000

OCS LEASING MAP, SHIP SHOAL AREA, LOUISIANA MAP NO. 5
(Approved June 8, 1954)

Tract	Block	Description	Acreage
67–86	37	S½NE¼; NW¼; S½	4375
67–87	38	3/	2149.94 (est.)

OCS LEASING MAP, SHIP SHOAL AREA, SOUTH ADDITION, LOUISIANA MAP NO. 5A
(Approved September 8, 1959)

Tract	Block	Description	Acreage
67-88	240	All	5000
67-89	259	All	5141.14
67-90	321	All	5000

OCS LEASING MAP, SOUTH PELTO AREA, LOUISIANA MAP NO. 6
(Approved June 8, 1954; Revised July 22, 1954; Revised December 9, 1954)

Tract	Block	Description	Acreage
67-91	16	All	5000
67-92	24	All	5000
67-93	25	All	5000

OCS LEASING MAP, SOUTH TIMBALIER AREA, SOUTH ADDITION, LOUISIANA MAP NO. 6A
(Approved September 8, 1959; Revised July 22, 1968)

Tract	Block	Description	Acreage
67-94	224	All	5000
67-95	225	All	5000
67-96	314	All	5000

OCS LEASING MAP, WEST DELTA AREA, LOUISIANA MAP NO. 8
(Approved June 8, 1954)

Tract	Block	Description	Acreage
67-97	49	All	5000
67-98	50	3/	2637.37 (est.)

OCS LEASING MAP, SOUTH PASS AREA, SOUTH AND EAST ADDITION, LOUISIANA MAP NO. 9A
(Approved September 8, 1959)

Tract	Block	Description	Acreage
67-99	75	All	5000
67-100	83	All	5000

OCS LEASING MAP, MAIN PASS AREA, LOUISIANA MAP NO. 10
(Approved June 8, 1954; Revised July 22, 1954)

Tract	Block	Description	Acreage
67-101	118	All	4994.55
67-102	127	S½	2497.27

OCS LEASING MAP, MAIN PASS AREA, SOUTH AND EAST ADDITION, LOUISIANA MAP NO. 10A
(Approved September 8, 1959)

Tract	Block	Description	Acreage
67-103	221	All	4994.55
67-104	253	All	4994.55
67-105	254	All	4994.55

OCS OFFICIAL PROTRACTION DIAGRAM, MOBILE NH 16-4
(Approved October 10, 1972; Revised December 21, 1977)

Tract	Block	Description	Acreage
67-106	(778		
	(822	4/	5600
67-107	(779		
	(823		
	(824	4/	4150 (est.)
67-108	819	4/	2928
67-109	820	4/	3180
67-110	821	4/	3400
67-111	(825		
	(826	4/	2820
67-112	827	4/	3240 (est.)
67-113	828	4/	3180 (est.)
67-114	861	4/	5040 (est.)
67-115	862	4/	5440 (est.)
67-116	864	All	5760
67-117	865	All	5760
67-118	866	All	5760

OCS OFFICIAL PROTRACTION DIAGRAM, MOBILE NH 16-4
(Approved October 10, 1972; Revised December 21, 1977)
(Continued)

Tract	Block	Description	Acreage
67–119	867	All	5760
67–120	868	4/	5745 (est.)
67–121	869	4/	5735 (est.)
67–122	870	All	5760
67–123	905	All	5760
67–124	906	All	5760
67–125	908	All	5760
67–126	909	All	5760

OCS OFFICIAL PROTRACTION DIAGRAM, VIOSCA KNOLL NH 16-7
(Approved October 10, 1972; Revised February 15, 1973; Revised August 1, 1973; Revised December 2, 1976)

Tract	Block	Description	Acreage
67–127	565	All	5197.59
67–128	825	All	5760
67–129	826	All	5760
67–130	869	All	5760
67–131	870	All	5760
67–132	987	All	5760

OCS OFFICIAL PROTRACTION DIAGRAM, EWING BANK NH 15-12
(Approved February 15, 1973; Revised December 2, 1976)

Tract	Block	Description	Acreage
67–133	481	All	3596.36
67–134	525	All	2419.57
67–135	526	All	3516.99

OCS OFFICIAL PROTRACTION DIAGRAM, MISSISSIPPI CANYON NH 16-10
(Approved February 15, 1973; Revised December 2, 1976)

Tract	Block	Description	Acreage
67–136	441	All	5760
67–137	485	All	5760

OCS OFFICIAL PROTRACTION DIAGRAM, CORPUS CHRISTI NG 14-3
(Approved June 5, 1974; Revised January 27, 1976)

Tract	Block	Description	Acreage
67–138	567	All	5760
67–139	568	All	5760
67–140	569	All	5760
67–141	570	All	5760
67–142	611	All	5760

OCS OFFICIAL PROTRACTION DIAGRAM, EAST BREAKS NG 15-1
(Approved June 8, 1973; Revised January 27, 1976)

Tract	Block	Description	Acreage
67–143	244	All	5760
67 -144	245	All	5760
67–145	288	All	5760
67–146	289	All	5760
67 -147	292	All	5760
67–148	293	All	5760
67–149	336	All	5760
67–150	337	All	5760

OCS OFFICIAL PROTRACTION DIAGRAM, GARDEN BANKS NG 15-2
(Approved February 15, 1973; Revised December 2, 1976)

Tract	Block	Description	Acreage
67–151	105	All	5760
67–152	106	All	5760
67–153	149	All	5760
67–154	150	All	5760
67–155	158	All	5760
67–156	159	All	5760
67–157	169	All	5760
67–158	170	All	5760
67–159	213	All	5760
67–160	214	All	5760

OCS OFFICIAL PROTRACTION DIAGRAM, GREEN CANYON NG 15-3
(Approved February 15, 1973; Revised December 2, 1976)

Tract	Block	Description	Acreage
67–161	97	All	5760
67–162	98	All	5760
67–163	142	All	5760
67–164	143	All	5760
67–165	152	All	5760
67 -166	153	All	5760
67–167	154	All	5760
67–168	198	All	5760
67–169	199	All	5760
67–170	427	All	5760
67–171	428	All	5760
67–172	471	All	5760
67–173	472	All	5760
67–174	515	All	5760
67–175	516	All	5760

OCS OFFICIAL PROTRACTION DIAGRAM, ST PETERSBURG NG 17-1
(Approved October 10, 1972; Revised December 2, 1976)

Tract	Block	Description	Acreage
67–176	620	All	5760
67–177	662	All	5760
67–178	663	All	5760
67–179	664	All	5760

OCS OFFICIAL PROTRACTION DIAGRAM, CHARLOTTE HARBOR NG 17-4
(Approved October 10, 1972; Revised December 2, 1976)

Tract	Block	Description	Acreage
67–180	624	All	5760
67–181	625	All	5760
67–182	626	All	5760
67–183	669	All	5760
67–184	670	All	5760
67–185	713	All	5760

OCS OFFICIAL PROTRACTION DIAGRAM, CHARLOTTE HARBOR NG 17-4
(Approved October 10, 1972; Revised December 2, 1976)
(Continued)

Tract	Block	Description	Acreage
67–186	714	All	5760
67–187	757	All	5760
67–188	758	All	5760
67–189	797	All	5760
67–190	798	All	5760
67 -191	799	All	5760
67–192	800	All	5760
67–193	801	All	5760
67–194	802	All	5760
67–195	803	All	5760
67–196	841	All	5760
67 -197	842	All	5760
67–198	843	All	5760
67–199	844	All	5760
67–200	845	All	5760
67–201	846	All	5760
67–202	847	All	5760
67 -203	885	All	5760
67–204	886	All	5760
67–205	887	All	5760
67–206	888	All	5760
67–207	889	All	5760
67–208	890	All	5760
67–209	891	All	5760
67–210	929	All	5760
67–211	930	All	5760
67–212	931	All	5760
67–213	932	All	5760
67–214	933	All	5760
67–215	934	All	5760
67–216	935	All	5760
67–217	973	All	5760
67 -218	974	All	5760
67–219	975	All	5760
67–220	976	All	5760
67 -221	977	All	5760
67–222	978	All	5760
67–223	979	All	5760

OCS LEASING MAP, HIGH ISLAND AREA, EAST ADDITION, SOUTH EXTENSION, TEXAS MAP NO. 7C
(Approved September 24, 1959)

Tract	Block	Description	Acreage
67–224	A-374	All	5760
67–225	A-385	All	5760

OCS LEASING MAP, WEST CAMERON AREA, WEST ADDITION, LOUISIANA MAP NO. 1A
(Approved November 15, 1955; Revised January 30, 1957)

Tract	Block	Description	Acreage
67–226	289	All	5000

OCS LEASING MAP, WEST CAMERON AREA, SOUTH ADDITION, LOUISIANA MAP NO. 1B
(Approved September 8, 1959)

Tract	Block	Description	Acreage
67–227	535	All	5000
67–228	623	All	5000

OCS LEASING MAP, EAST CAMERON AREA, SOUTH ADDITION, LOUISIANA MAP NO. 2A
(Approved September 8, 1959)

Tract	Block	Description	Acreage
67–229	328	All	5000

OCS LEASING MAP, SOUTH MARSH ISLAND AREA, SOUTH ADDITION, LOUISIANA MAP NO. 3C
(Approved September 8, 1959)

Tract	Block	Description	Acreage
67–230	176	All	5000

OCS LEASING MAP, WEST DELTA AREA, LOUISIANA MAP NO. 8
(Approved June 8, 1954)

Tract	Block	Description	Acreage
67–231	76	All	5000

1/ That portion of the lease block seaward of the Three Marine League Line measured from the historic shoreline described in the United States vs. Louisiana, No. 9 Original (394 U.S. 836).

2/ That portion of the lease block seaward of the Three Marine League Line.

3/ That portion of the lease block which is more than three geographical miles seaward from the line described in the supplemental decree of the U.S. Supreme Court, June 16, 1975 (United States vs. Louisiana, 422 U.S. 13).

4/ That portion of the lease block which is more than three geographical miles seaward from the low water line off the coast of Mississippi and/or Alabama.

13. Lease Terms and Stipulations. Leases resulting from this sale for tracts 67-170 through 67-175 will be for an initial term of 10 years. All other leases issued as a result of this sale will be for an initial term of 5 years. Leases issued as a result of this sale will be on Form 3300-1 (September 1978), available from the Manager, New Orleans OCS Office, at the first address stated in paragraph 2.

(a) For leases resulting from this sale for tracts offered on a cash bonus basis with a fixed net profit share, listed in paragraph 4 (a), Form 3300-1 will be amended as follows:

Sec. 4 Rentals. The phrase "which commences prior to a discovery in paying quantities of oil or gas on the leased area" is hereby deleted and replaced by "which commences prior to the date the first net profit share payment becomes due."

Sec. 5 Minimum Royalty. Hereby deleted.

Sec. 6 Royalty on Production. Hereby replaced by Net Profit Share. The lessee agrees to pay a net profit share rate of ___ percent with a ____ capital recovery factor, calculated pursuant to 10 CFR 390.

(b) Except as otherwise noted, the following stipulations will be included in each lease resulting from this sale. In the following stipulations the term DCM refers to the Deputy Conservation Manager for Field Operations, Gulf of Mexico OCS Region, U.S. Geological Survey, and the term Manager refers to the Manager of the New Orleans OCS Office, Bureau of Land Management.

Stipulation 1

If the DCM, having reason to believe that a site, structure, or object of historical or archaeological significance hereinafter referred to as "cultural resource," may exist in the lease area, gives the lessee written notice that the lessor is invoking the provisions of this stipulation, the lessee shall upon receipt of such notice comply with the following requirements:

Prior to any drilling activity or the construction or placement of any structure for exploration or development on the lease, including, but not limited to, well drilling and pipeline and platform placement, hereinafter in this stipulation referred to as "operation," the lessee shall conduct remote sensing surveys to determine the potential existence of any cultural resource that may be affected by such operations. All data produced by such remote sensing surveys as well as other pertinent natural and cultural environmental data shall be examined by a qualified marine survey archaeologist to determine if indicators are present suggesting the existence of a cultural resource that may be adversely affected by any lease operation. A report of this survey and assessment prepared by the marine survey archaeologist shall be submitted by the lessee to the DCM and to the Manager for review.

If such cultural resource indicators are present the lessee shall: (a) locate the site of such operation so as not to affect adversely the identified location; or (b) establish, to the satisfaction of the DCM, on the basis of further archaeological investigation conducted by a qualified marine survey archaeologist or underwater archaeologist using such survey equipment and techniques as deemed necessary by the DCM, either that such operation will not adversely affect the location identified or that the potential cultural resource suggested by the occurrence of the indicators does not exist.

A report of this investigation prepared by the marine survey archaeologist or underwater archaeologist shall be submitted to the DCM and to the Manager for review. Should the DCM determine that the existence of a cultural resource which may be adversely affected by such operation is sufficiently established to warrant protection, the lessee shall take no action that may result in an adverse effect on such cultural resource until the DCM has given directions as to its preservation.

The lessee agrees that if any site, structure, or object of historical or archaeological significance should be discovered during the conduct of any operations on the leased area, he shall report immediately such findings to the DCM and make every reasonable effort to preserve and protect the cultural resource from damage until the DCM has given directions as to its preservation.

Stipulation 2

(To be included only in the lease resulting from this sale for tract 67-230.)

Operations within the area of Alderdice Bank shown as "3 Mile Zone" in Figure 1 (attached to and made a part of this lease) shall be restricted as specified in either (a) or (b) below at the option of the lessee.

(a) All drill cuttings and drilling fluids must be disposed of by shunting the material to the bottom through a downpipe that terminates an appropriate distance, but no more than ten meters, from the bottom.

(b) The operator (lessee) shall submit a monitoring plan. The monitoring plan will be designed to assess the effects of oil and gas exploration and development operations on the biotic communities of the nearby banks.

The monitoring program shall indicate that the monitoring investigations will be conducted by qualified, independent scientific personnel and that these personnel and all required equipment will be available at the time of operations. The monitoring team will submit its findings to the DCM on a schedule established by the DCM, or immediately in case of imminent danger to the biota of the bank resulting directly from drilling or other operations. If it is decided that surface disposal of drilling fluids or cuttings presents no danger to the bank, no further monitoring of that particular well or platform will be required. If, however, the monitoring program indicates that the biota of the bank are being harmed, or if there is a great likelihood that operation of that particular well or platform may cause harm to the biota of the bank, the DCM shall require shunting as specified in (a) above or other appropriate operational restrictions.

Stipulation 3

(To be included only in the lease resulting from this sale for tract 67-96.)

(a) Operations within the area of Diaphus Bank shown as "1 Mile Zone" in Figure 2 (attached to and made a part of this lease) shall be restricted by shunting all drill cuttings and drilling fluids to the bottom through a downpipe that terminates an appropriate distance, but no more than ten meters, from the bottom.

(b) Operations within the area of Diaphus Bank shown as "3 Mile Zone" in Figure 2 shall be restricted as specified in either (1) or (2) below at the option of the lessee.

(1) All drill cuttings and drilling fluids must be disposed of by shunting the material to the bottom through a downpipe that terminates an appropriate distance, but no more than ten meters, from the bottom.

(2) The operator (lessee) shall submit a monitoring plan. The monitoring plan will be designed to assess the effects of oil and gas exploration and development operations on the biotic communities of the nearby banks.

The monitoring program shall indicate that the monitoring investigations will be conducted by qualified, independent scientific personnel and these personnel and all required equipment will be available at the time of operations. The monitoring team will submit its findings to the DCM on a schedule established by the DCM, or immediately in case of imminent danger to the biota of the bank resulting directly from drilling or other operations. If it is decided that surface disposal of drilling fluids or cuttings presents no danger to the bank, no further monitoring of that particular well or platform will be required. If, however, the monitoring program indicates that the biota of the bank are being harmed, or if there is a great likelihood that operation of that particular well or platform may cause harm to the biota of the bank, the DCM shall require shunting as specified in (1) above or other appropriate operational restrictions.

Stipulation 4

(To be included only in leases resulting from this sale for tracts 67-13 and 67-14.)

(a) Operations within the area of Southern Bank shown as "1 Mile Zone" in Figure 3 (attached to and made a part of this lease) shall be restricted by shunting all drill cuttings and drilling fluids to the bottom through a downpipe that terminates an appropriate distance, but no more than six meters, from the bottom.

(b) All production and development operations within the areas shown as "3 Mile Zone" in Figure 3 shall be restricted by shunting all drill cuttings and drilling fluids to the bottom through a downpipe that terminates an appropriate distance, but no more than six meters, from the bottom.

Stipulation 5

(To be included only in leases resulting from this sale for tracts 67-39 and 67-40.)

Operations within the area of Applebaum Bank shown as "3 Mile Zone" in Figure 4 (attached to and made a part of this lease) shall be restricted as specified in either (a) or (b) below at the option of the lessee.

(a) All drill cuttings and drilling fluids must be disposed of by shunting the material to the bottom through a downpipe that terminates an appropriate distance, but no more than ten meters, from the bottom.

(b) The operator (lessee) shall submit a monitoring plan. The monitoring plan will be designed to assess the effects of oil and gas exploration and development operations on the biotic communities of the nearby banks.

The monitoring program shall indicate that the monitoring investigations will be conducted by qualified, independent scientific personnel and that these personnel and all required equipment will be available at the time of operations. The monitoring team will submit its findings to the DCM on a schedule established by the DCM, or immediately in case of imminent danger to the biota of the bank resulting directly from drilling or other operations. If it is decided that surface disposal of drilling fluids or cuttings presents no danger to the bank, no further monitoring of that particular well or platform will be required. If, however, the monitoring program indicates that the biota of the bank are being harmed, or if there is a great likelihood that operation of that particular well or platform may cause harm to the biota of the bank, the DCM shall require shunting as specified in (a) above or other appropriate operational restrictions.

Stipulation 6

(To be included only in leases resulting from this sale for tracts 67-72, 67-73, and 67-74.)

(a) No structures, drilling rigs, or pipelines will be allowed within the 85 m isobath of Parker Banks as shown in Figure 5 (attached to and made a part of this lease).

(b) Operations within the area of Parker Banks shown as "1 Mile Zone" in Figure 5 shall be restricted by shunting all drill cuttings and drilling fluids to the bottom through a downpipe that terminates an appropriate distance, but no more than ten meters, from the bottom.

(c) Operations within the area shown as "3 Mile Zone" in Figure 5 shall be restricted as specified in either (1) or (2) below at the option of the lessee.

(1) All drill cuttings and drilling fluids must be disposed of by shunting the material to the bottom through a downpipe that terminates an appropriate distance, but no more than ten meters, from the bottom.

(2) The operator (lessee) shall submit a monitoring plan. The monitoring plan will be designed to assess the effects of oil and gas exploration and development operations on the biotic communities of the nearby banks.

The monitoring program shall indicate that the monitoring investigations will be conducted by qualified, independent scientific personnel and that these personnel and all required equipment will be available at the time of operations. The monitoring team will submit its findings to the DCM on a schedule established by the DCM, or immediately in case of imminent danger to the biota of the bank resulting directly from drilling or other operations. If it is decided that surface disposal of drilling fluids or cuttings presents no danger to the bank, no further monitoring of that particular well or platform will be required. If, however, the monitoring program indicates that the biota of the bank are being harmed, or if there is a great likelihood that operation of that particular well or platform may cause harm to the biota of the bank, the DCM shall require shunting as specified in (1) above or other appropriate operational restrictions.

Stipulation 7

(To be included only in leases resulting from this sale for tracts 67-151, 67-152, 67-153, and 67-154.)

(a) No structures, drilling rigs, or pipelines will be allowed within the 85 m isobath of Geyer Bank as shown in Figure 6 (attached to and made a part of this lease).

(b) Operations within the area of Geyer Bank shown as "1 Mile Zone" in Figure 6 shall be restricted by shunting all drill cuttings and drilling fluids to the bottom through a downpipe that terminates an appropriate distance, but no more than ten meters, from the bottom.

(c) Operations within the area shown as "3 Mile Zone" in Figure 6 shall be restricted as specified in either (1) or (2) below at the option of the lessee.

(1) All drill cuttings and drilling fluids must be disposed of by shunting the material to the bottom through a downpipe that terminates an appropriate distance, but no more than ten meters, from the bottom.

(2) The operator (lessee) shall submit a monitoring plan. The monitoring plan will be designed to assess the effects of oil and gas exploration and development operations on the biotic communities of the nearby banks.

The monitoring program shall indicate that the monitoring investigations will be conducted by qualified, independent scientific personnel and that these personnel and all required equipment will be available at the time of operations. The monitoring team will submit its findings to the DCM on a schedule established by the DCM, or immediately in case of imminent danger to the biota of the bank resulting directly from drilling or other operations. If it is decided that surface disposal of drilling fluids or cuttings presents no danger to the bank, no further monitoring of that particular well or platform will be required. If, however, the monitoring program indicates that the biota of the bank are being harmed, or if there is a great likelihood that operation of that particular well or platform may cause harm to the biota of the bank, the DCM shall require shunting as specified in (1) above or other appropriate operational restrictions.

Stipulation 8

(To be included only in the lease resulting from this sale for tract 67-224.)

(a) No structures, drilling rigs, or pipelines will be allowed within the aliquots established for the East Flower Garden Bank as follows:

High Island Area, East Addition, South Extension, Block A-374: W½W½NW¼; SE¼SW¼NW¼; SW¼NE¼SW¼; W½SW¼; W½SE¼SW¼; SE¼SE¼SW¼.

(b) Exploration, development, and production operations are permitted within the aliquots described below with the following restrictions:

All drill cuttings and drilling fluids must be disposed of by shunting the material to the bottom through a downpipe that terminates an appropriate distance, but no more than ten meters, from the bottom; however, if the shunting method is not adequate, as determined by the monitoring program proceedings outlined in this stipulation, to protect the unique character of the subject area, then the material must be transported a minimum of ten miles from any 50 m isobath surrounding live reef-building coral before disposal.

No garbage, untreated sewage, or other solid waste shall be disposed of from vessels (workboats, crew-boats, supply boats, pipelaying vessels) during exploration and development operations.

No drilling permits shall be issued by the DCM until he has found that the lessee's exploration plans and development and production plans filed under 30 CFR 250.34 are adequate to insure that exploration, development, and production operations in the leased area will have no significant adverse effect on the biotic communities associated with the high value reef sites on the Flower Garden Banks.

As a part of any exploration plans or development and production plans, a reef monitoring program must be included. The monitoring program will be designed to assess the effects of oil and gas exploration, development, and production operations on the viability of the coral reefs and associated communities. The monitoring plan shall indicate that the monitoring investigations will be conducted by qualified, independent scientific personnel and that program personnel and equipment will be available at the time of operations. The monitoring team will submit its findings to the DCM on a regular schedule established by the DCM, or immediately in case of imminent danger to the biota of the bank resulting directly from drilling or other operations.

The affected aliquots are as follows:

High Island Area, East Addition, South Extension, Block A-374: SW¼SW¼NE¼; E½NW¼; E½NW¼NW¼; NE¼SW¼NW¼; N½NE¼SW¼; SE¼NE¼SW¼; NE¼SE¼SW¼; W½NW¼SE¼; SE¼NW¼SE¼; SW¼SE¼; SW¼SE¼SE¼.

(c) Exploration, development, and production operations are permitted within the aliquots described below with the following restrictions:

All drill cuttings and drilling fluids must be disposed of by shunting the material to the bottom through a downpipe that terminates an appropriate distance, but no more than ten meters, from the bottom.

No garbage, untreated sewage, or other solid waste shall be disposed of from vessels (workboats, crew-boats, supply boats, pipelaying vessels) during exploration, development, and production operations.

No drilling permits shall be issued by the DCM until he has found that the lessee's exploration plans and development and production plans filed under 30 CFR 250.34 are adequate to insure that exploration, development, and production operations in the leased area will have no significant adverse effect on the biotic communities associated with the high value reef sites on the Flower Garden Banks.

The affected aliquots are as follows:

High Island Area, East Addition, South Extension, Block A-374: N½NE¼; N½S½NE¼; SE¼SW¼NE¼; S½SE¼NE¼; NE¼SE¼; NE¼NW¼SE¼; N½SE¼SE¼; SE¼SE¼SE¼.

Stipulation 9

(To be included only in the lease resulting from this sale for tract 67-225.)

(a) No structures, drilling rigs, or pipelines will be allowed within the aliquots established for the West Flower Garden Bank as follows:

High Island Area, East Addition, South Extension, Block A-385: SW¼SW¼NW¼; NW¼SW¼; NW¼SW¼SW¼.

(b) Exploration, development, and production operations are permitted within the aliquots described below with the following restrictions:

All drill cuttings and drilling fluids must be disposed of by shunting the material to the bottom through a downpipe that terminates an appropriate distance, but no more than ten meters, from the bottom; however, if the shunting method is not adequate, as determined by the monitoring program proceedings outlined in this stipulation, to protect the unique character of the subject area, then the material must be transported a minimum of ten miles from any 50 m isobath surrounding live reef-building coral before disposal.

No garbage, untreated sewage, or other solid waste shall be disposed of from vessels (workboats, crew-boats, supply boats, pipelaying vessels) during exploration and development operations.

No drilling permits shall be issued by the DCM until he has found that the lessee's exploration plans and development and production plans filed under 30 CFR 250.34 are adequate to insure that exploration, development, and production operations in the lease area will have no significant adverse effect on the biotic communities associated with the high value reef sites on the Flower Garden Banks.

As a part of any exploration plans or development and production plans, a reef monitoring program must be included. The monitoring program will be designed to assess the effects of oil and gas exploration, development, and production operations on the viability of the coral reefs and associated communities. The monitoring plan shall indicate that the monitoring investigations will be conducted by qualified, independent scientific personnel and that program personnel and equipment will be available at the time of operations.

The monitoring team will submit its findings to the DCM on a regular schedule established by the DCM, or immediately in case of imminent danger to the biota of the bank resulting directly from drilling or other operations.

The affected aliquots are as follows:

High Island Area, East Addition, South Extension, Block A-385: SW¼NW¼NW¼; N½SW¼NW¼; SE¼SW¼NW¼; SW¼SE¼NW¼; NE¼SW¼; E½SW¼SW¼; SW¼SW¼SW¼; W½SE¼SW¼; NE¼SE¼SW¼; W½NW¼SE¼.

(c) Exploration, development, and production operations are permitted within the aliquots described below with the following restrictions:

All drill cuttings and drilling fluids must be disposed of by shunting the material to the bottom through a downpipe that terminates an appropriate distance, but no more than ten meters, from the bottom.

No garbage, untreated sewage, or other solid waste shall be disposed of from vessels (workboats, crew-boats, supply boats, pipelaying vessels) during exploration, development, and production operations.

No drilling permits shall be issued by the DCM until he has found that the lessee's exploration plans and development and production plans filed under 30 CFR 250.34 are adequate to insure that exploration, development, and production operations in the leased area will have no significant adverse effect on the biotic communities associated with the high value reef sites on the Flower Garden Banks.

The affected aliquots are as follows:

High Island Area, East Addition, South Extension, Block A-385: NE¼; NE¼NW¼; N½NW¼NW¼; SE¼NW¼NW¼; N½SE¼NW¼; SE¼SE¼NW¼; SE¼SE¼SW¼; E½SE¼; E½NW¼SE¼; SW¼SE¼.

Stipulation 10

(To be included only in leases resulting from this sale for tracts 67-106 through 67-126 and 67-176 through 67-223.)

Prior to any drilling activity or the construction or placement of any structure for exploration or development on this lease, including but not limited to well drilling and pipeline and platform placement, the lessee will submit to the DCM as part of any exploration or development plan a bathymetry map, prepared utilizing remote sensing and/or other survey techniques. This map will include interpretations for the presence of live bottom areas within a minimum of 1,820 m radius of a proposed exploration or production activity site.

For the purpose of this stipulation, "live bottom areas" are defined as those areas which contain biological assemblages consisting of such sessile invertebrates as sea fans, sea whips, hydroids, anemones, ascidians, sponges, bryozoans, or corals living upon and attached to naturally occurring hard or rocky formations with rough, broken, or smooth topography; or whose lithotope favors the accumulation of turtles, fishes, and other fauna.

If it is determined that the remote sensing data indicate the presence of hard or live bottom areas, the lessee will also submit to the DCM photo-documentation of the sea bottom near proposed exploratory drilling sites or proposed platform locations.

If it is determined that live bottom areas might be adversely impacted by the proposed activities, then the DCM will require the lessee to undertake any measure deemed economically, environmentally, and technically feasible to protect live bottom areas. These measures may include, but are not limited to, the following:

(a) the relocation of operations to avoid live bottom areas;
(b) the shunting of all drilling fluids and cuttings in such a manner as to avoid live bottom areas;
(c) the transportation of drilling fluids and cuttings to approved disposal sites;
(d) the monitoring of live bottom areas to assess the adequacy of any mitigation measures taken and the impact of lessee initiated activities.

Stipulation 11

(To be included only in leases resulting from this sale for tracts 67-99, 67-100, 67-128 through 67-131, 67-133 through 67-147, 67-149, 67-150, and 67-155 through 67-175.)

All or portions of this lease may be subject to mass movement of sediments, unstable slopes, active faulting, or gaseous sediments. Exploratory drilling operations, emplacement of structures (platforms) or seafloor wellheads for production or storage of oil or gas, and the emplacement of pipelines will not be allowed within the potentially unstable portions of this lease unless or until the lessee has demonstrated to the DCM's satisfaction that mass movement of sediments is unlikely or that exploratory drilling operations, structures (platforms), casing, wellheads, and pipelines can be safely designed to protect the environment in case such mass movement occurs at the proposed location. This may necessitate that all exploration for and development of oil or gas be performed from locations outside of the area of unstable sediments, either within or outside of this lease.

If exploratory drilling operations are allowed, site-specific surveys shall be conducted to determine the potential for slumping and mass movement of sediments. If emplacement of structures (platforms) or seafloor wellheads for production or storage of oil or gas is allowed, all slump blocks or mass movement of sediments in the lease must be mapped. The DCM may also require soil testing before exploration and production operations are allowed.

Stipulation 12

(To be included only in leases resulting from this sale for tracts 67-176 through 67-223.)

Pipelines will be required: (a) if pipeline rights-of-way can be determined and obtained; (b) if laying such pipelines is technically feasible and environmentally preferable; and (c) if, in the opinion of the lessor, pipelines can be laid without net social loss, taking into account any incremental costs of pipelines over alternative methods of transportation and any incremental benefits in the form of increased environmental protection or reduced multiple-use conflicts. The lessor specifically reserves the right to require that any pipeline used for transporting production to shore be placed in certain designated management areas. The lessor's decision regarding the selected means of transportation will be made within the context of an intergovernmental planning process for assessment and management of transportation of Outer Continental Shelf oil and gas with participation of federal, state, and local government and the industry. Where feasible, all pipelines, including both flow lines and gathering lines for oil and gas, shall be buried to a depth suitable for adequate protection from water currents, sand waves, storm scouring, fisheries trawling gear, and other uses as determined on a case-by-case basis.

Following the development of sufficient pipeline capacity, no crude oil production will be transported by surface vessel from offshore production sites, except in the case of emergency. Determinations as to emergency conditions and appropriate responses to these conditions will be made by the DCM. Where the three criteria set forth in the first sentence of this stipulation are not met and surface transportation must be employed, all vessels used for carrying hydrocarbons to shore from the leased area will conform with all standards established for such vessels, pursuant to the Ports and Waterways Safety Act of 1972 (46 U.S.C. 391a), as amended.

Stipulation 13

(To be included only in leases resulting from this sale for tracts 67-1 through 67-16, 67-25, and 67-138 through 67-142.)

Whether or not compensation for such damage or injury might be due under a theory of strict or absolute liability or otherwise, the lessee assumes all risks of damage or injury to persons or property, which occur in, on, or above the Outer Continental Shelf, to any persons or to any property of any person or persons who are agents, employees, or invitees of the lessee, its agents, independent contractors, or subcontractors doing business with the lessee in connection with any activities being performed by lessee in, on, or above the Outer Continental Shelf if such injury or damage to such person or property occurs by reason of the activities of any agency of the U.S. government, its contractors or subcontractors, or any of their officers, agents or employees, being conducted as a part of, or in connection with the programs and activities of the Naval Air Training Command, Naval Air Station, Corpus Christi, Texas.

Notwithstanding any limitation of the lessee's liability in Sec. 14 of the lease form, the lessee assumes this risk whether such injury or damage is caused in whole or in part by any act or omission, regardless of negligence or fault, of the United States, its contractors or subcontractors, or any of their officers, agents, or employees. The lessee further agrees to indemnify and save harmless the United States against all claims for loss, damage, or injury sustained by the lessee, and to indemnify and save harmless the United States against all claims for loss, damage, or injury sustained by the agents, employees, or invitees of the lessee, its agents, or any independent contractors or subcontractors doing business with the lessee in connection with the programs and activitims of the aforementioned military installation whether the same be caused in whole or in part by the negligence or fault of the United States, its contractors, subcontractors, or any of their officers, agents, or employees and whether such claims might be sustained under a theory of strict or absolute liability.

The lessee agrees to control his own electromagnetic emissions and those of his agents, employees, invitees, independent contractors, or subcontractors emanating from individual designated defense warning areas in accordance with requirements specified by the commander of the Naval Air Training Command, Naval Air Station, Corpus Christi, Texas, to the degree necessary to prevent damage to, or unacceptable interference with, Department of Defense flight, testing, or operational activities, conducted within designated warning areas.

Necessary monitoring control, and coordination with the lessee, its agents, employees, invitees, independent contractors, or subcontractors, will be effected by the commander of the appropriate onshore military installation conducting operations in the particular warning area, provided, however, that control of such electromagnetic emissions shall in no instance prohibit all manner of electromagnetic communication during any period of time between a lessee, its agents, employees, invitees, independent contractors, or subcontractors and onshore facilities.

The lessee when operating or causing to be operated on its behalf boat or aircraft traffic into the individual designated warning areas shall enter into an agreement with the commander of the Naval Air Training Command, Naval Air Station, Corpus Christi, Texas, on utilizing an individual designated warning area prior to commencing such traffic. Such agreement will provide for positive control of boats and aircraft operating in the warning areas at all times.

Stipulation 14

(To be included only in leases resulting from this sale for tracts 67-96 and 67-165 through 67-175.)

Whether or not compensation for such damage or injury might be due under a theory of strict or absolute liability or otherwise, the lessee assumes all risks of damage or injury to persons or property, which occur in, on, or above the Outer Continental Shelf, to any persons or to any property of any person or persons who are agents, employees or invitees of the lessee, its agents, independent contractors, or subcontractors doing business with the lessee in connection with any activities being performed by lessee in, on, or above the Outer Continental Shelf if such injury or damage to such person or property occurs by reason of the activities of any agency of the U.S. government, its contractors or subcontractors, or any of their officers, agents or employees, being conducted as a part of, or in connection with the programs and activities of the Naval Air Station, New Orleans, Louisiana 70146.

Notwithstanding any limitation of the lessee's liability in Sec. 14 of the lease form, the lessee assumes this risk whether such injury or damage is caused in whole or in part by any act or omission, regardless of negligence or fault, of the United States, its contractors or subcontractors, or any of their officers, agents, or employees. The lessee further agrees to indemnify and save harmless the United States against all claims for loss, damage, or injury sustained by the lessee, and to indemnify and save harmless the United States against all claims for loss, damage, or injury sustained by the agents, employees, or invitees of the lessee, its agents, or any independent contractors or subcontractors doing business with the lessee in connection with the programs and activities of the aforementioned military installation whether the same be caused in whole or in part by the negligence or fault of the United States, its contractors, subcontractors, or any of their officers, agents, or employees and whether such claims might be sustained under a theory of strict or absolute liability or otherwise.

The lessee agrees to control his own electromagnetic emissions and those of his agents, employees, invitees, independent contractors or subcontractors emanating from individual designated defense warning areas in accordance with requirements specified by the commander of the Naval Air Station, New Orleans, Louisiana 70146, to the degree necessary to prevent damage to, or unacceptable interference with, Department of Defense flight, testing or operational activities, conducted within designated warning areas.

Necessary monitoring control, and coordination with the lessee, its agents, employees, invitees, independent contractors or subcontractors, will be effected by the commander of the appropriate onshore military installation conducting operations in the particular warning area, provided, however, that control of such electromagnetic emissions shall in no instance prohibit all manner of electromagnetic communication during any period of time between a lessee, its agents, employees, invitees, independent contractors or subcontractors and onshore facilities.

The lessee when operating or causing to be operated on its behalf boat or aircraft traffic into the individual designated warning areas shall enter into an agreement with the commander of the Naval Air Station, New Orleans, Louisiana 70146, on utilizing an individual designated warning area prior to commencing such traffic. Such agreement will provide for positive control of boats and aircraft operating in the warning areas at all times.

Stipulation 15

(To be included only in leases resulting from this sale for tracts 67-38, 67-39, 67-40, and 67-143 through 67-150.).

Whether or not compensation for such damage or injury might be due under a theory of strict or absolute liability or otherwise, the lessee assumes all risks of damage or injury to persons or property, which occur in, on, or above the Outer Continental Shelf, to any persons or to any property of any person or persons who are agents, employees, or invitees of the lessee, its agents, independent contractors, or subcontractors doing business with the lessee in connection with any activities being performed by lessee in, on, or above the Outer Continental Shelf if such injury or damage to such person or property occurs by reason of the activities of any agency of the U.S. government, its contractors or subcontractors, or any of their officers, agents or employees, being conducted as a part of, or in connection with the programs and activities of the Armament Division, Barksdale Air Force Base, Shreveport, Louisiana.

Notwithstanding any limitation of the lessee's liability in Sec. 14 of the lease form, the lessee assumes this risk whether such injury or damage is caused in whole or in part by any act or omission, regardless of negligence or fault, of the United States, its contractors or subcontractors, or any of their officers, agents, or employees. The lessee further agrees to indemnify and save harmless the United States against all claims for loss, damage, or injury sustained by the lessee, and to indemnify and save harmless the United States against all claims for loss, damage, or injury sustained by the agents, employees, or invitees of the lessee, its agents, or any independent contractors or subcontractors doing business with the lessee in connection with the programs and activities of the aforementioned military installation whether the same be caused in whole or in part by the negligence or fault of the United States, its contractors, subcontractors, of any of their officers, agents, or employees and whether such claims might be sustained under a theory of strict or absolute liability, or otherwise.

The lessee agrees to control his own electromagnetic emissions and those of his agents, employees, invitees, independent contractors, or subcontractors emanating from individual designated defense warning areas in accordance with requirements specified by the commander of the Armament Division, Barksdale Air Force Base, Shreveport, Louisiana, to the degree necessary to prevent damage to, or unacceptable interference with, Department of Defense flight, testing, or operational activities, conducted within designated warning areas

Necessary monitoring control, and coordination with the lessee, its agents, employees, invitees, independent contractors, or subcontractors, will be effected by the commander of the appropriate onshore military installation conducting operations in the particular warning area, provided, however, that control of such electromagnetic emissions shall in no instance prohibit all manner of electromagnetic communication during any period of time between a lessee, its agents, employees, invitees, independent contractors, or subcontractors and onshore facilities.

The lessee when operating or causing to be operated on its behalf boat or aircraft traffic into the individual designated warning areas shall enter into an agreement with the commander of the Armament Division, Barksdale Air Force Base, Shreveport, Louisiana, on utilizing an individual designated warning area prior to commencing such traffic. Such agreement will provide for positive control of boats and aircraft operating in the warning areas at all times.

Stipulation 16

(To be included only in leases resulting from this sale for tracts 67-111, 67-112, 67-113, and 67-122.)

Whether or not compensation for such damage or injury might be due under a theory of strict or absolute liability or otherwise, the lessee assumes all risks of damage or injury to persons or property, which occur in, on, or above the Outer Continental Shelf, to any persons or to any property of any person or persons who are agents, employees or invitees of the lessee, its agents, independent contractors, or subcontractors doing business with the lessee in connection with any activities being performed by lessee in, on, or above the Outer Continental Shelf if such injury or damage to such person or property occurs by reason of the activities of any agency of the U.S. government, its contractors or subcontractors, or any of their officers, agents or employees, being conducted as a part of, or in connection with the programs and activities of the Training Wing Six, Naval Air Station, Pensacola, Florida 32508.

Notwithstanding any limitation of the lessee's liability in Sec. 14 of the lease form, the lessee assumes this risk whether such injury or damage is caused in whole or in part by any act or omission, regardless of negligence or fault, of the United States, its contractors or subcontractors, or any of their officers, agents, or employees. The lessee further agrees to indemnify and save harmless the United States against all claims for loss, damage, or injury sustained by the lessee, and to indemnify and save harmless the United States against all claims for loss, damage, or injury sustained by the agents, employees, or invitees of the lessee, its agents, or any independent contractors or subcontractors doing business with the lessee in connection with the programs and activities of the aforementioned military installation whether the same be caused in whole or in part by the negligence or fault of the United States, its contractors, subcontractors, or any of their officers, agents, or employees and whether such claims might be sustained under a theory of strict or absolute liability or otherwise.

The lessee agrees to control his own electromagnetic emissions and those of his agents, employees, invitees, independent contractors or subcontractors emanating from individual designated defense warning areas in accordance with requirements specified by the commander of the Training Wing Six, Naval Air Station, Pensacola, Florida 32508, to the degree necessary to prevent damage to, or unacceptable interference with, Department of Defense flight, testing or operational activities, conducted within designated warning areas.

Necessary monitoring control, and coordination with the lessee, its agents, employees, invitees, independent contractors or subcontractors, will be effected by the commander of the appropriate onshore military installation conducting operations in the particular warning area, provided, however, that control of such electromagnetic emissions shall in no instance prohibit all manner of electromagnetic communication during any period of time between a lessee, its agents, employees, invitees, independent contractors or subcontractors and onshore facilities.

The lessee when operating or causing to be operated on its behalf boat or aircraft traffic into the individual designated warning areas shall enter into an agreement with the commander of the Training Wing Six, Naval Air Station, Pensacola, Florida 32508, on utilizing an individual designated warning area prior to commencing such traffic. Such agreement will provide for positive control of boats and aircraft operating in the warning areas at all times.

Stipulation 17

(To be included only in leases resulting from this sale for tracts 67-106 through 67-110, 67-114 through 67-121, 67-123 through 67-126, and 67-176 through 67-188.)

Whether or not compensation for such damage or injury might be due under a theory of strict or absolute liability or otherwise, the lessee assumes all risks of damage or injury to persons or property, which occur in, on, or above the Outer Continental Shelf, to any persons or to any property of any person or persons who are agents, employees, or invitees of the lessee, its agents, independent contractors, or subcontractors doing business with the lessee in connection with any activities being performed by lessee in, on, or above the Outer Continental Shelf if such injury or damage to such person or property occurs by reason of the activities of any agency of the U.S. government, its contractors or subcontractors, or any of their officers, agents or employees, being conducted as a part of, or in connection with the programs and activities of the Armament Division, Eglin Air Force Base, Florida.

Notwithstanding any limitation of the lessee's liability in Sec. 14 of the lease form, the lessee assumes this risk whether such injury or damage is caused in whole or in part by any act or omission, regardless of negligence or fault, of the United States, its contractors or subcontractors, or any of their officers, agents, or employees. The lessee further agrees to indemnify and save harmless the United States against all claims for loss, damage, or injury sustained by the lessee, and to indemnify and save harmless the United States against all claims for loss, damage, or injury sustained by the agents, employees, or invitees of the lessee, its agents, or any independent contractors or subcontractors doing business with the lessee in connection with the programs and activities of the aforementioned military installation whether the same be caused in whole or in part by the negligence or fault of the United States, its contractors, subcontractors, or any of their officers, agents, or employees and whether such claims might be sustained under a theory of strict or absolute liability, or otherwise.

The lessee agrees to control his own electromagnetic emissions and those of his agents, employees, invitees, independent contractors, or subcontractors emanating from individual designated defense warning areas in accordance with requirements specified by the commander of the Armament Division, Eglin Air Force Base, Florida, to the degree necessary to prevent damage to, or unacceptable interference with, Department of Defense flight, testing, or operational activities, conducted within designated warning areas

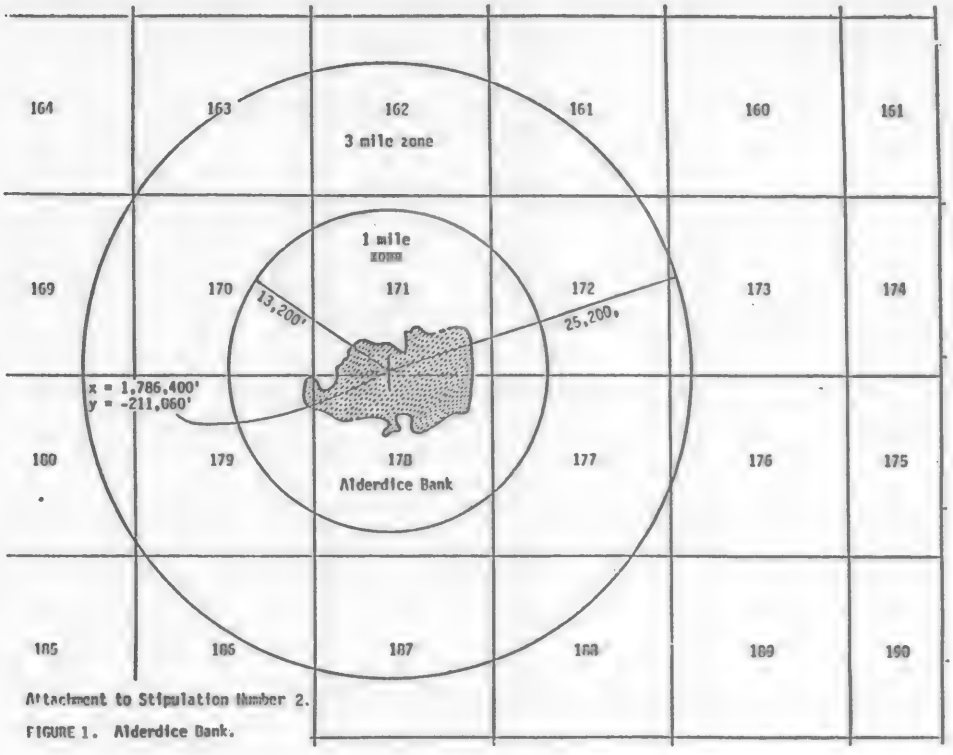
Necessary monitoring control, and coordination with the lessee, its agents, employees, invitees, independent contractors, or subcontractors, will be effected by the commander of the appropriate onshore military installation conducting operations in the particular warning area, provided, however, that control of such electromagnetic emissions shall in no instance prohibit all manner of electromagnetic communication during any period of time between a lessee, its agents, employees, invitees, independent contractors, or subcontractors and onshore facilities.

The lessee when operating or causing to be operated on its behalf boat or aircraft traffic into the individual designated warning areas shall enter into an agreement with the commander of the Armament Division, Eglin Air Force Base, Florida, on utilizing an individual designated warning area prior to commencing such traffic. Such agreement will provide for positive control of boats and aircraft operating in the warning areas at all times.

Stipulation 18

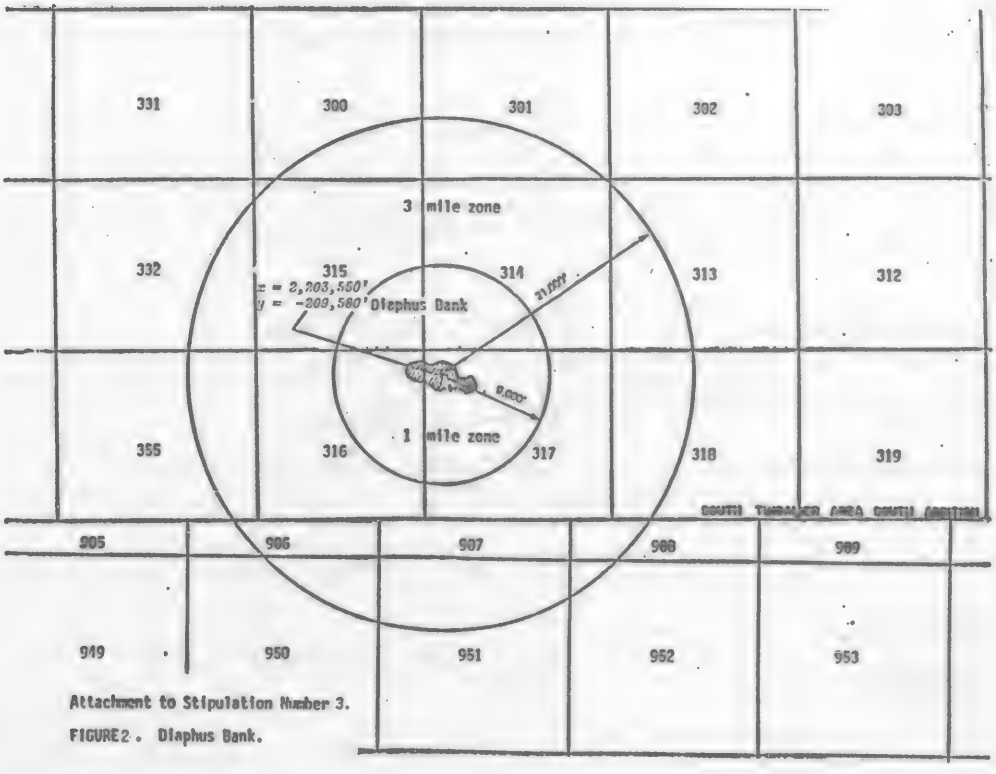
(To be included only in the leases resulting from this sale for the net profit share tracts listed in paragraph 4(a) of this notice.)

The net profit share payment specified in Section 6 of this lease may be satisfied in whole or in part by the lessor taking production in amount rather than in value. However, not more than 16-2/3 percent of the production saved, removed, or sold from the lease area may be taken in amount, except as provided in Section 15(d). The net profit share obligations of the lessee shall be calculated to include as a credit, the value of production taken in amount by the lessor.



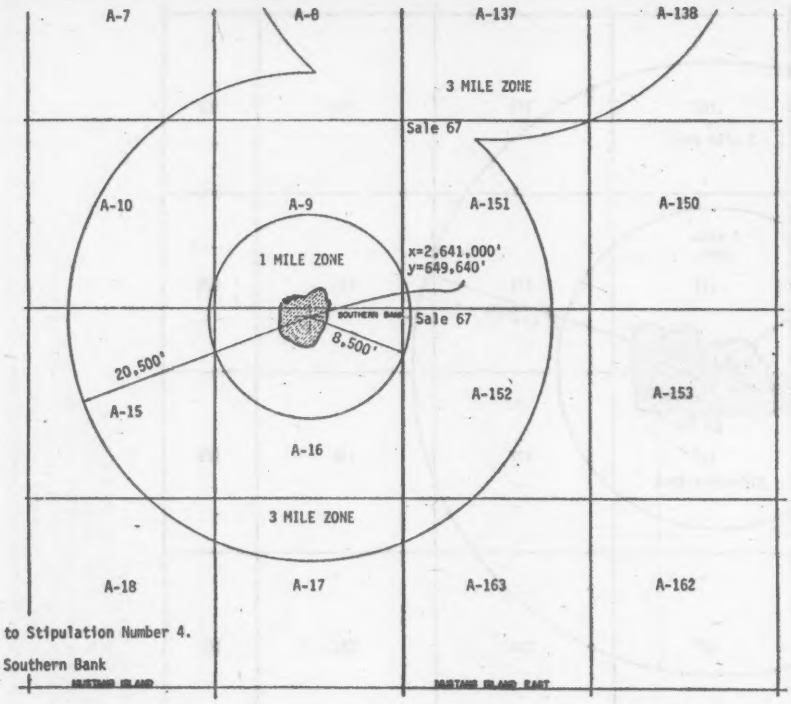
Attachment to Stipulation Number 2.

FIGURE 1. Alderdice Bank.



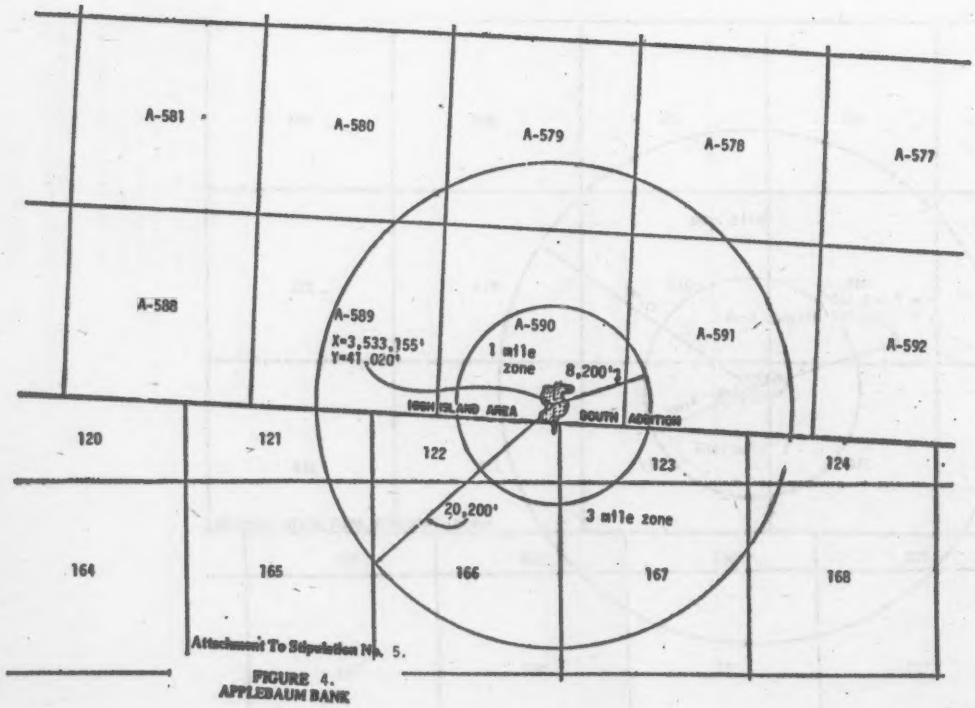
Attachment to Stipulation Number 3.

FIGURE 2. Diaphus Bank.



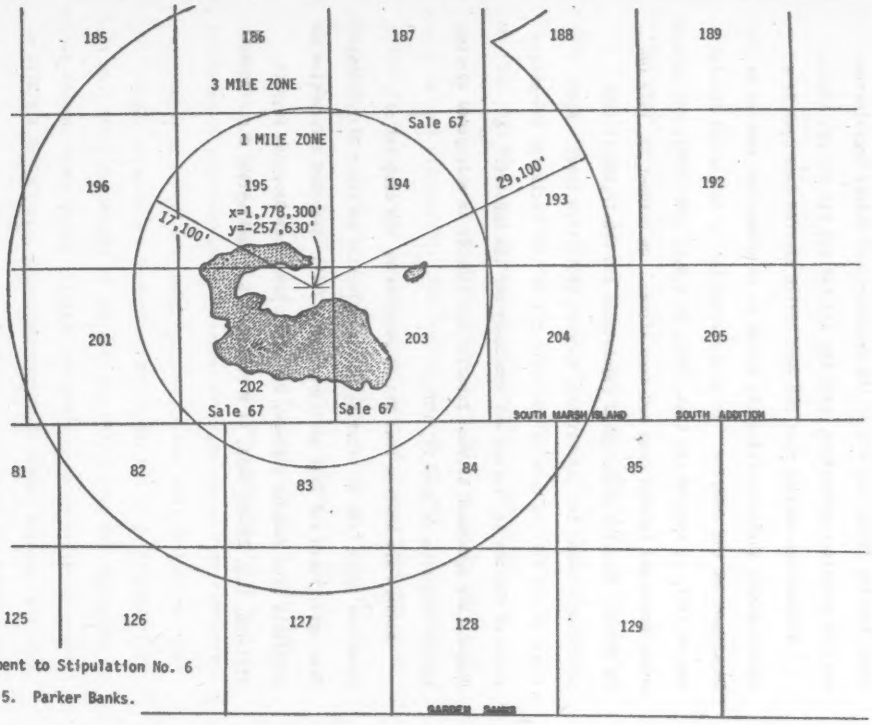
Attachment to Stipulation Number 4.

FIGURE 3. Southern Bank



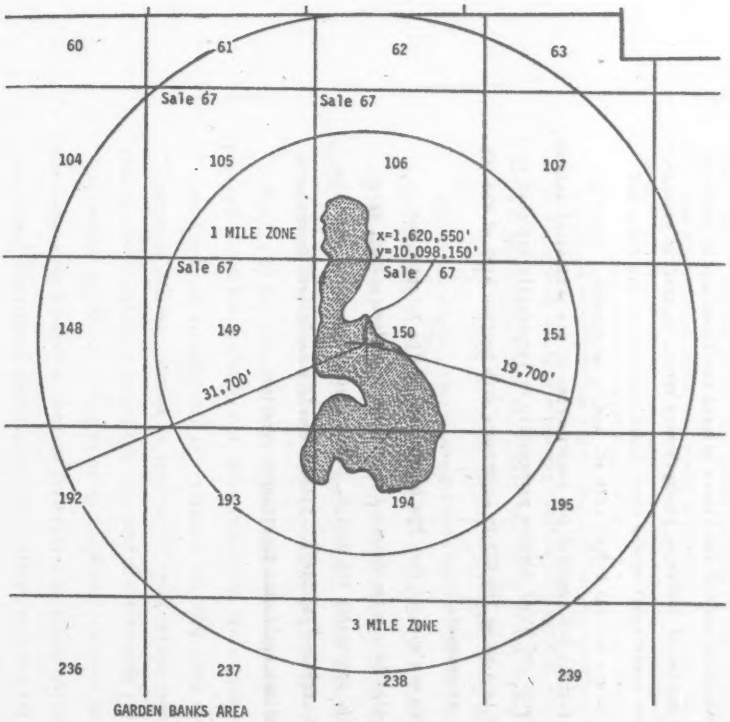
Attachment To Stipulation No. 5.

FIGURE 4.
APPLEBAUM BANK



Attachment to Stipulation No. 6

FIGURE 5. Parker Banks.



Attachment to Stipulation No. 7.

FIGURE 6. Geyer Bank.

14. Information to Lessees. The Department of the Interior will seek the advice of the states of Texas, Louisiana, Mississippi, Alabama, and Florida, and other federal agencies, to identify areas of special concern which might require appropriate protective measures for live bottom areas and areas which might contain cultural resources.

If it is determined that live bottom areas might be adversely affected by the proposed activities, then the DCM, Offshore Field Operations, USGS, after appropriate consultation with the Regional Director, U.S. Fish & Wildlife Service; the Manager, BLM; the states; the Environmental Protection Agency (EPA); and other federal agencies with jurisdiction and expertise to protect the environment, will require the lessee, pursuant to Section 5(a) of the OCS Lands Act of 1953, as amended, to undertake any measures to protect live bottom areas.

Operations on some of the tracts offered for lease may be restricted by designation of fairways, precautionary zones, or traffic separation schemes established by the Coast Guard pursuant to the Ports and Waterways Safety Act (33 U.S.C. 1221 et. seq.), as amended. Corps of Engineers permits are required for construction of any artificial islands, installations, and other devices permanently or temporarily attached to the seabed located on the OCS in accordance with Section 4(e) of the OCS Lands Act, as amended.

Bidders are advised that the Departments of the Interior and Transportation have entered into a Memorandum of Understanding, dated May 6, 1976, concerning the design, installation, operation, and maintenance of offshore pipelines. Bidders should consult both Departments for regulations applicable to offshore pipelines.

Bidders are advised that in accordance with Section 16 of each lease offered at this sale, the lessor may require a lessee to operate under a unit, pooling, or drilling agreement, and that the lessor will give particular consideration to requiring unitization in instances where one or more reservoirs underlie two or more leases with either a different royalty rate or a net profit share payment.

Bidders are advised that the Department of Energy is authorized, under Section 302(b) and (c) of the Department of Energy Organization Act, to establish production rates for all federal oil and gas leases.

Bidders are advised that the West Indian manatee (sea cow) is a marine mammal which is officially listed as an endangered species by the Department of the Interior. It is protected by the Endangered Species Act of 1973, as amended (86 Stat. 1027, 16 U.S.C. 1361-1407), and various other state and federal laws and regulations. On October 22, 1979 (44 FR 60963), Interior promulgated regulations (50 CFR 17.100-17.108) providing a means for establishing manatee protection areas. Also, there is the Florida Manatee Sanctuary Act of 1978 declaring the entire state of Florida as "refuge and sanctuary for the manatee." A Cooperative Agreement between Interior and Florida on endangered species became effective on June 23, 1976.

Bidders are advised that EPA is considering the disposal of hazardous waste from an existing platform located on tract 67-105 (Main Pass Area, South and East Addition, Block 254). Detailed information is available from Kenneth Biglane, Director, Hazardous Response Support Division, U.S. EPA-WH 548A, 41 M Street, S.W., Washington, D.C. 20460.

Bidders are also advised that the National Oceanic and Atmospheric Administration (NOAA) is considering whether to propose the designation of a marine sanctuary, pursuant to Title III of the Marine Protection, Research and Sanctuaries Act of 1972 (16 U.S.C. 1431-1434), in the area of the Flower Garden Banks in the Gulf of Mexico. Revised proposed regulations describing the boundaries of the possible sanctuary and possible restrictions which NOAA might impose on oil and gas operations within the sanctuary were published on June 26, 1980 (45 FR 43205). Tracts offered in this sale that are within the boundaries of the marine sanctuary under consideration are tracts 67-224 and 67-225. While a final decision has not been made by NOAA concerning restrictions in the sanctuary, the restrictions under consideration by NOAA for tracts within the sanctuary may be more stringent than those restrictions included by lease stipulation in this Notice of Sale.

Bidders on tracts 67-224 and 67-225 are also advised that EPA has expressed its intention to require lessees within the boundaries of the Flower Garden Banks Marine Sanctuary under consideration by NOAA to obtain National Pollution Discharge Elimination System (NPDES) permits, pursuant to its authority under Section 402 of the Clean Water Act (P.L. No. 95-217), containing ocean discharge restrictions and other conditions which may be more stringent than those imposed through lease stipulation or Interior regulation.

For those tracts listed in paragraph 13 above providing for leases with an initial period of more than five years, bidders are advised that pursuant to 30 CFR 250.34-1(a)(3), the lessee shall submit to USGS either an exploration plan or a general statement of exploration intentions prior to the end of the tenth lease year.

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Revisions of Department of Labor regulations on Affirmative Action requirements for Government Contractors (including lessees) have been deferred, pending review of those regulations (see Federal Register of August 25, 1981, at 46 FR 42865 and 42968). Should those changes become effective at any time before the issuance of leases resulting from this sale, Section 18 of the lease form, Form 3300-1 (September 1978), would be deleted from leases resulting from this sale. In addition, existing stocks of the Affirmative Action Forms described in paragraph 5 of this notice contain language that would be superseded by the revised regulations at 41 CFR 60-1.5(a)(1) and 60-1.7(a)(1).

Pending the issuance of revised versions of Forms 1140-7 and 1140-8 by the Bureau of Land Management, submission of Form 1140-7 (December 1971) and Form 1140-8 (November 1973) will not invalidate an otherwise acceptable bid, and the revised regulations' requirements will be deemed to be part of the existing Affirmative Action Forms.

15. OCS Orders. Operations on all leases resulting from this sale will be conducted in accordance with the provisions of all Gulf of Mexico OCS Orders, as of their effective dates, and any other applicable OCS Order as it becomes effective.